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Annual Report

NUDULAMA MINES LIMITED



For the Year Ended December 31st, 1968

DIRECTORS

M. J. BOYLEN - - - - - TORONTO, ONTARIO
D. W. GORDON - - - - - TORONTO, ONTARIO
GORDON L. MOORE - - - - - ISLINGTON, ONTARIO
CHARLES B. BRANNIGAN - - - - - TORONTO, ONTARIO
GORDON F. PUSHIE - - - - - ST. JOHN'S, NEWFOUNDLAND

OFFICERS

M. J. BOYLEN - - - - - *President*
D. W. GORDON - - - - - *Vice-President*
GORDON L. MOORE - - - - - *Secretary-Treasurer*
CHARLES B. BRANNIGAN - - - - - *Assistant-Treasurer*

TRANSFER AGENT
AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA,
Toronto, Ontario

AUDITORS

SNYDER, CRAIG & CO.,
Toronto, Ontario

HEAD OFFICE

Suite 908, 330 Bay Street,
Toronto, Ontario

NUDULAMA MINES LIMITED

DIRECTORS' REPORT

To the Shareholders:

The financial statements of the Company for the fiscal year ended December 31, 1968, notes relevant thereto and the Report of the Auditors, are submitted herewith.

PROVINCE OF ONTARIO

LEESON TOWNSHIP

The Company's mining property situated in Leeson Township, Missinabi Area in the Sudbury Mining Division, Ontario, is maintained in good standing. No exploration work was carried out on these claims during 1968. The property comprises an area of 896.88 acres and adjoins the Renabie Gold Mines Limited property on the east.

Previous work consisted of sinking a three-compartment shaft to 1,065 feet and establishing levels at 150 foot intervals. Development work to the 750 foot level has proven up 579,325 tons grading 0.194 ounces in gold per ton. Should there be an increase in the price of gold the Directors will consider the advisability of bringing this property into production.

RED LAKE MINING DIVISION

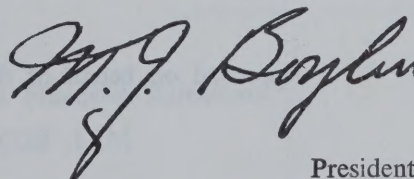
Subsequent to year end your Company has acquired by staking a group of 24 claims in the northwest quarter of Agnew Township in the Uchi-Confederation Lakes area of the Red Lake Mining Division.

In conjunction with other companies holding claims in this area your Company is planning to participate in a joint airborne magnetometer-electromagnetic survey to be carried out as soon as the necessary logistics can be worked out. A ground investigation of any resulting anomalies will be made during the 1969 summer field season.

PROVINCE OF QUEBEC

Your Company owns a group of 15 claims in the Baie Johan Beetz area, Quebec. These claims lie immediately north of the property of The Coniagas Mines Limited in Projected Township 1075, Electoral District of Duplessis. No direct field work was carried out on these claims in the year under review. The property was covered by an airborne magnetometer survey during the summer of 1968 but no ground investigation of the resulting anomalies has been made.

On behalf of the Board of Directors,



President.

Toronto, Ontario,
April 1, 1969.

NUDULAMA

(Incorporated und

Balance Sheet —

(With compara

ASSETS

	1968 \$	1967 \$
Current		
Cash	34	32
Accounts receivable	6,394	—
	<u>6,428</u>	<u>32</u>
Investments		
Shares of other mining companies having a quoted market value, at cost (See Note) (Quoted market value \$84,292 — 1967 \$147,277)	218,976	352,870
Shares of other mining companies, at nominal value	1	1
	<u>218,977</u>	<u>352,871</u>
Fixed		
In the Province of Ontario:		
15 Patented mining claims in Leeson Township, Missanabi Area, Sudbury Mining Division, at cost	184,422	184,422
Buildings and equipment, at nominal value	1	1
In the Province of Quebec:		
15 Mining claims in Project Township 1075, Electoral District of Duplessis, at cost	496	496
	<u>184,919</u>	<u>184,919</u>
Deferred Expenditure		
Exploration expenses	3,220	2,423
	<u>413,544</u>	<u>540,245</u>

Approved on behalf of the Board.

M. J. BOYLEN, Director.

G. L. MOORE, Director.

MINES LIMITED

(In accordance with the Laws of Ontario)

December 31, 1968

(Figures for 1967)

LIABILITIES

Current	1968 \$	1967 \$
Bank loan	—	15,000
Accounts payable and accrued liabilities	971	31,340
	<u>971</u>	<u>46,340</u>

SHAREHOLDERS' EQUITY

Capital Stock

Authorized:

4,000,000 Shares of no par value

Issued:

3,100,000 Shares 2,397,756 2,397,756

Deficit

Balance, beginning of year	1,903,851	1,282,488
Add: Balance of deferred mine development and administrative expenses January 1, 1967, written off	—	605,919
Administrative expenses for the year	6,770	6,745
Loss on sale or write down of investments	74,562	8,699
Balance, end of year	<u>1,985,183</u>	<u>1,903,851</u>
Net Shareholders' Equity	<u>412,573</u>	<u>493,905</u>
	<u>413,544</u>	<u>540,245</u>

The Note attached forms an integral part of these Financial Statements.

SNYDER, CRAIG & CO.

CABLE ADDRESS "JNOCRAIG"
TELEPHONE EMPIRE 6-9444

CHARTERED ACCOUNTANTS

330 BAY STREET

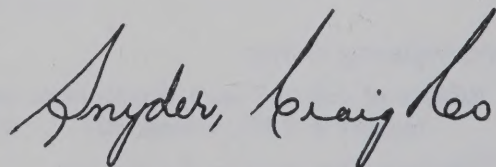
TORONTO
CANADA

To the Shareholders of
NUDULAMA MINES LIMITED,
Toronto, Ontario.

We have examined the Balance Sheet of Nudulama Mines Limited as at December 31, 1968, the Statements of Exploration and Administrative Expenses and Source and Application of Funds for the year ended on that date and the Note to the Financial Statements. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

No provision has been made for the excess of cost over market values of the investments in shares of other mining companies.

Subject to the above limitation, in our opinion, the attached Balance Sheet, the Statements of Exploration and Administrative Expenses and Source and Application of Funds and the Note to the Financial Statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A handwritten signature in cursive script, reading "Snyder, Craig & Co".

Chartered Accountants.

February 7, 1969.

NUDULAMA MINES LIMITED

Statement of Exploration and Administrative Expenses

For the year ended December 31, 1968

(With comparative figures for 1967)

	1968 \$	1967 \$
Exploration Expenses		
Johan Beetz Area Claims		
Engineering and consulting fees	—	600
Geophysical surveys	—	26
Aero-magnetometer and spectrometer surveys	448	—
Maps and blueprints	—	30
Mining licenses	210	—
Surface exploration and camp expenses	139	1,767
	<u>797</u>	<u>2,423</u>
Forward from previous year	2,423	—
Total Exploration Expenses	<u>3,220</u>	<u>2,423</u>
 Administrative Expenses		
Advertising	101	77
Corporation taxes	160	100
Filing fees	10	10
General expense	5	(40)
Head office administration	3,000	2,700
Interest	33	1,010
Legal and audit	475	875
Office stationery and printing	297	51
Postage, telephone and telegraph	86	41
Property taxes	292	370
Reports to shareholders	1,238	834
Transfer agent and registrar fees	944	717
Travelling	129	—
Total Administrative Expenses	<u>6,770</u>	<u>6,745</u>

NUDULAMA MINES LIMITED

Statement of Source and Application of Funds

For the year ended December 31, 1968

(With comparative figures for 1967)

	1968	1967
Source	\$	\$
Sale of investments	59,332	—
Application		
Acquisition of mining claims	—	496
Exploration expenses	797	2,423
Administrative expenses	6,770	6,745
	<u>7,567</u>	<u>9,664</u>
Resulting in an increase (decrease) in working capital of	51,765	(9,664)
Deficiency in working capital, beginning of year	(46,308)	(36,644)
Working capital, end of year	<u>5,457</u>	<u>(46,308)</u>

Note to Financial Statements

December 31, 1968

	No. of Shares	Market Value 1968 \$	Book Value	
			1968 \$	1967 \$
Investments — at cost				
Beauce Placer Mining Co. Ltd.	87,000	6,090	8,700	8,700
Brunswick Mining and Smelting Corp. Ltd. (11,700 shares sold during year)	—	—	—	133,894
The Coniagas Mines, Limited	10,000	4,500	29,020	29,020
Consolidated Harpers Malartic Gold Mines Ltd. .	460,610	9,212	68,018	68,018
Key Anacon Mines Limited	87,926	64,186	110,838	110,838
Satellite Metal Mines Limited	750	304	2,400	2,400
		<u>84,292</u>	<u>218,976</u>	<u>352,870</u>
Investments — at nominal value				
Beauce Placer Mining Co. Ltd. (escrowed shares) .	87,000	—	1	1

The quoted market values in the aggregate given for the shares of Beauce Placer Mining Co. Ltd., Consolidated Harpers Malartic Gold Mines Limited and Key Anacon Mines Limited, because of the large blocks involved, are not necessarily indicative of the amounts that might be realized if these investments were sold.